DOCUMENT RESUME

ED 166 883 EC 113 484

TITLE	Federal Direction Needed for Educating Handicapped Children in State Schools: Report to the Congress.
INSTITUTION	Comptroller General of the U.S., Washington, D.C.
PUB DATE	16 Mar 78
NOTE	74p.
EDRS PRICE	MF-$0.83 HC-$3.50 Plus Postage.
DESCRIPTORS	Educational Finance; Federal Aid; Federal Legislation; *Federal Programs; Federal State Relationship; *Government Role; *Handicapped Children; *State Federal Aid; *State Schools
IDENTIFIERS	Education of; Elementary Secondary Education Act Title I; *Public Law 89 313

ABSTRACT

The HEW report to Congress discusses the Public Law 89-313 program to provide federal assistance for the education of handicapped children in state-operated and supported schools, focusing on the issue of federal versus state responsibility. The need to clarify the program's direction is examined, and it is recommended that Congress specify whether funding is supplementary to a basic, state-financed educational activity or whether it should help finance the basic educational program itself. The need for clarification regarding the targeting of funds is also examined and stressed. Observations on the program's administration are presented, including its legislative placement, guidance and oversight functions, and the dissemination of program results. It is recommended that Congress transfer the 89-313 program from Title I of the Elementary and Secondary Education Act of 1965 to the Education of the Handicapped Act. Included in the five appendixes are tables of the targeting of funds to children, both by state agencies and by schools. (DLS)

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BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

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Federal Direction Needed For Educating Handicapped Children In State Schools

Department of Health, Education, and Welfare

Federal/State responsibility for educating the handicapped in State-supported schools is unclear: Should the program provide basic educational support? How should funds be allocated?

The Congress needs to clarify Public Law 89-313 so as to better direct its purpose of providing Federal assistance to State-educated handicapped children.

E 0113484

HRD-78-6
MARCH 16, 1978

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-164031(1)

To the President of the Senate and the
Speaker of the House of Representatives

This report discusses the Public Law 89-313 program to provide Federal assistance for the education of handicapped children in State operated and supported schools--the so-called institutionalized handicapped children. The program is administered by the Office of Education, Department of Health, Education, and Welfare. We reviewed the Federal effort directed toward the education of these children.

The Congress has responded to the needs of the handicapped by declaring, as national policy, that all handicapped children are entitled to a free public education. For the most severely and profoundly handicapped, satisfactory education is often available only in special schools or institutions.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Acting Director, Office of Management and Budget; and to the Secretary of Health, Education, and Welfare.

Comptroller General
of the United States

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

FEDERAL DIRECTION NEEDED FOR EDUCATING HANDICAPPED CHILDREN IN STATE SCHOOLS

Department of Health, Education, and Welfare

D I G E S T

Education programs for handicapped children in State operated and supported schools need Federal direction in two main areas--(1) clarification of its purpose and (2) reexamination of fund allocations. Public Law 89-313, enacted in 1965 to provide Federal assistance in this area, has never been clear on whether to finance only those activities which are supplementary to a basic, State-financed education program or to help finance the basic education program itself. (See p. 6.)

The Congress should clarify the direction of this program. If moneys are used for basic support, then consideration should be given to relaxing Federal administration in favor of increased State administration. If they are for supplementary support, then States should meet their responsibilities for basic support. (See p. 27.)

The degree to which funds may be allocated within a State to benefit only a limited number of eligible handicapped children is not entirely clear either. Original legislation permitted unlimited targeting of funds; amended legislation says this practice is inappropriate. However, targeting is still a widespread practice at two levels of the allocation process. (See p. 29.)

State and school officials generally defended their allocation practices--whether targeting or not targeting--as educationally and/or administratively necessary. Those who targeted funds--either to schools or to children within schools--generally believed they were using the funds where most needed. Those

who allocated funds and services on a proportional basis believed this practice would be legally required and the only reasonable method.

The Congress should clarify whether targeting is acceptable and, if so, the extent to which it is. The Department of Health, Education, and Welfare (HEW) should direct the Commissioner of Education to issue regulations clearly stating those conditions and limitations so as not to sacrifice educational objectives. (See p. 40.)

The nature and extent of changes needed to improve administration of the Public Law 89-313 program depend upon its future direction. If funds are to be available for relatively unrestricted general educational purposes, including financing basic educational activities without first having the States define what they will fund, then minimal Federal management is sufficient. If the primary purpose of the program is to support activities which supplement a State-funded education program, the following changes and improvements in program administration are needed:

--The Public Law 89-313 program should be transferred from title I of the Elementary and Secondary Education Act to the Education of the Handicapped Act. A transfer of program authorization would require legislative action by the Congress. (See p. 41.)

--The Bureau of Education for the Handicapped should increase the amount of guidance, monitoring, and technical assistance it provides to the States (see p. 41), and should also actively encourage and assist States to disseminate and share project results. (See p. 41.)

HEW believes that the guidance provided by the Congress in its consideration of the basic vs. supplemental service questions in the context of Public Law 94-142 (Education for All Handicapped Children Act of 1975), can be usefully applied to the 89-313 case. Public Law 94-142 is essentially a supplemental program with the flexibility to spend Federal funds for certain new services even though they might be authorized by State law. As for targeting of funds to children, HEW is developing new regulations concerning the allocation of Federal funds to meet the needs of these children.

HEW agreed with the need for greater technical assistance and monitoring of the program, and cited actions that had been taken. It also agreed with GAO's recommendation regarding dissemination of project results. (See pp. 28, 40, and 51.)

GAO believes that the Congress' decision to have a basic or supplementary program and its decision on targeting of Fedderal funds to children should be made before actions are taken by HEW, including those dealing with administration of the program. HEW made no comment concerning the transfer of the 89-313 program from title I of the Elementary and Secondary Education Act to the Education of the Handicapped Act.

GAO obtained written comments from 9 of the 10 States visited in the review. All States providing comments indicated that better program guidance is needed from the Federal level and that placement of the program with other handicapped programs would ease the problem of program administration at the State level. However, some State officials expressed concern about the funding of the 89-313 program if it were transferred to the Education of the Handicapped Act.

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ABBREVIATIONS

BEH	Bureau of Education for the Handicapped
BESE	Bureau of Elementary and Secondary Education
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
LEA	local education agency
SEA	State education agency

CHAPTER 1

INTRODUCTION

An estimated 8 million American children are mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, learning disabled, or otherwise health impaired. According to Department of Health, Education, and Welfare (HEW) statistics, however, only about 4 million of these children received an appropriate education in the 1975-76 school year.

The Congress has responded to this situation by declaring, as national policy, that all handicapped children are entitled to a free public education and that their education should be conducted in the least restrictive environment commensurate with their needs. For many handicapped children, this means full-time enrollment in regular classes in local public schools. For others it means more limited school participation with nonhandicapped children. But for the most severely and profoundly handicapped, satisfactory education is often available only in special schools or institutions.

Two Federal programs which provide financial assistance for educating handicapped children are:

--The part B program, authorized by part B of the Education of the Handicapped Act (20 U.S.C. 1401 et seq.) as amended. This program provides grants for special education of handicapped children in local public school systems.

--The program authorized by Public Law 89-313, approved November 1, 1965, as an amendment to title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 236 et seq.). This program, commonly known as the "89-313 program", provides grants for special education of (1) handicapped children in State operated or supported schools and (2) handicapped children formerly in State schools who have transferred to special education programs in local public schools.

THE PUBLIC LAW 89-313 PROGRAM

The 89-313 program provides grants through State education agencies (SEAs) to State agencies--such as departments of mental health, public welfare, and education--which are directly responsible for providing a free public education

to handicapped children with State funds. State agencies are to use these grant funds for programs and projects which are designed to meet special education needs of such children in State operated and supported schools. These schools are located in institutions, hospitals, and other public and private facilities, most of which provide residential, treatment, or other services in addition to education.

In fiscal year 1977, the 89-313 program provided over $111 million in grants to 143 agencies in all 50 States, Puerto Rico, Guam, and the District of Columbia. About 3,800 State operated and supported schools and about 2,200 local education agencies (LEAs) were eligible to participate and provide services to over 200,000 children. Grants to individual States or territories ranged from about $156,000 for Guam to about $11,300,000 for New York. The following table provides additional information on the funding history of the program.

Fiscal year	Appropriations (millions)	Children eligible to participate	Average allocation per pupil
1966	$ 15.9	65,400	$242
1968	24.8	87,400	283
1970	37.5	110,500	339
1972	56.4	131,800	428
1974	85.8	166,400	515
1976	95.9	188,100	510
1977	111.4	201,400	552

Public Law 89-313 funds represent only a portion of the total amount spent on educating handicapped children in State operated or supported schools. Although no figures were readily available on the amounts contributed by State and local governments on a nationwide basis, we found that the amount, per child, varied from about $593 to $8,976 at the schools we visited.

Creation of the program

Public Law 89-313, dated November 1, 1965, amended the Elementary and Secondary Education Act of 1965 (Public Law 89-10). Title I of the act provides financial assistance to LEAs serving areas with concentrations of low-income families in order to strengthen programs meeting special education needs of educationally deprived children. Public Law 89-313

extended this portion of the act to make grants available to State agencies responsible for educating handicapped children.

Change in the program

Public Law 93-380, the Education Amendments of 1974, made two significant changes to the 89-313 program:

1. Each handicapped child counted for calculating a State agency's grant shall be provided an educational program commensurate with his/her needs. HEW interpreted this to mean that each child counted must receive some benefit from 89-313 funds.

2. Each child who leaves a State operated or supported school to attend an LEA-operated school may continue to be counted for 89-313 grants if (1) the LEA provides the child an appropriately designed special education program and (2) the State passes the portion of grant money generated by the child to the LEA.

Administration of the program

Because Public Law 89-313 amended portions of the law created by the Elementary and Secondary Education Act, the Bureau of Elementary and Secondary Education (BESE), within HEW's Office of Education, was initially made responsible for administering the program. In 1968, responsibility for administering the 89-313 program was transferred from BESE to the newly created Bureau of Education for the Handicapped (BEH). BEH oversees the program's activities in participating States and territories and until June 1977, BESE retained responsibility for all fiscal functions.

Each SEA is responsible for approving and supervising all 89-313 projects in its State. However, because many schools, institutions, and hospitals are administered by other State agencies, these agencies are responsible for the activities at each school under their control. Program administration is discussed in greater detail in chapter 4.

How the program works

Each October 1, every participating school counts its enrollment of handicapped children under age 21 who have not progressed beyond the 12th grade, and in accordance with HEW instructions, reports 100 percent of this figure (94 percent prior to October 1, 1976), through its State agency, to

the SEA. This reported figure is known as the school's average daily attendance. The SEA then forwards two items of information to the Office of Education:

--The average daily attendance of each State agency (including all children previously in State operated or supported schools who are now receiving their special education in an LEA-operated program).

--The average per pupil expenditure for all children (handicapped or not) in the State.

Under Public Law 89-313, a State agency is to receive 40 percent of the State's average-per-pupil educational expenditure, each fiscal year, for every child counted in average daily attendance on the previous October 1. The amount used as average-per-pupil educational expenditure in this calculation is to be not less than 80 percent nor more than 120 percent of the national average-per-pupil educational expenditure. Another provision ensures that each State will receive at least as much 89-313 funding as it did the previous year.

After receiving its annual grant, each State agency allocates the funds to its schools; it may use a portion of the funds itself to provide administrative and agency-wide services. The methods used to allocate funds among schools vary between States and State agencies. (We discuss the allocation methods in greater detail in ch. 3.) In any case, each school eligible to receive 89-313 funds is required to submit a project application, through its State agency, to the SEA. In the application, the school indicates the number of children to be served, the nature and design of the intended project, and the objectives to be attained. The SEA reviews and approves each project application before the project is funded. Chapter 2 provides greater detail on what services and instructional materials are approved for 89-313 projects.

After projects are approved, the SEA and the State agencies are required to monitor their progress. BEH is charged with assisting States in developing monitoring procedures. As a further control on each project, every participating school must prepare an evaluation report at the end of each project (or project year in the case of multi-year projects). The schools submit these reports to the SEA for review and retention.

SCOPE OF REVIEW

We made our review at Office of Education headquarters in Washington, D.C.; and at SEAs, State agencies, and schools in Arizona, Colorado, Georgia, Illinois, Massachusetts, Michigan, Oregon, Pennsylvania, Texas, and Washington. We visited a total of 52 State operated and supported schools having a combined attendance of 12,367 children and which received a total of $5.6 million in 89-313 funds for fiscal year 1977. A list of the schools is in Appendix I.

Our review included discussions with appropriate officials and other personnel at the Federal, State, and school level, and examination of legislation, regulations, project applications, and other documents related to the program. We also toured the facilities, visited classes, and observed other school activities. No attempt was made to evaluate the overall quality of education provided at any school, nor did we routinely discuss the program with participating children or their parents.

CHAPTER 2

NEED TO CLARIFY PROGRAM DIRECTION

The 89-313 program was originally enacted in 1965 to make available Federal funds to assist States in providing education for institutionalized handicapped children. Significantly changed conditions since that time have created a need to clarify the program's direction. The specific purpose for which program funds were to be used has never been entirely clear--i.e., whether to finance only those activities which are supplementary to a basic, State-financed education program, or to help finance the basic educational program itself.

In the early years of the program, these distinctions between basic and supplementary purposes were not important because there was little in the way of State programs to provide even minimal education of institutionalized handicapped children. In the intervening years, however, conditions have changed dramatically; special education techniques have developed considerably since the 1960s. New Federal and State laws, and court decisions have affirmed that education of handicapped children is a fundamental State responsibility. These changed conditions add considerable significance and confusion to the basic vs. supplemental question, in terms of the respective responsibilities of participants in this Federal/State partnership.

Our review at State agencies and schools for the handicapped in 10 States disclosed a variety of interpretations of these responsibilities. More importantly, we found wide inconsistencies in the use of 89-313 funds. They were frequently used for activities which appeared to be basic in nature, and sometimes used for custodial and life-support activities rather than for educational purposes. Although many of these States have not established specific criteria for a basic level of education for their handicapped children, many of the services purchased with program funds could be considered the States' responsibilities under today's conditions.

We believe, therefore, that the Congress should clarify the 89-313 program's purpose as being either (1) for programs which supplement States' basic education programs or (2) for basic support as well.

CONFLICTING VIEWS ON PROGRAM PURPOSE

The grant program providing funds for institutionalized handicapped children was initially authorized as an amendment to title I of the Elementary and Secondary Education Act of 1965 by section 6 of Public Law 89-313, 79 Stat. 1158, approved November 1, 1965. The Senate report on the bill enacted as Public Law 89-313, stated the following general intent of the Congress in adding section 6:

> "The amendment set forth in section 6 was added by the committee to assure that public schools, providing special education operated by the States for the benefit of handicapped children, could participate in the benefits established under Public Law 89-10 for educationally deprived children attending schools operated by public local educational agencies." 1/

Through enactment of this provision, the Congress was able to correct a deficiency in the Elementary and Secondary Education Act of 1965, by which it had omitted handicapped children in State operated and supported institutions from coverage under the act.

The Public Law 89-313 amendment itself did not specifically state how the funds were to be used, or whether the Congress intended the funds to be used to provide (1) only "excess" or "supplemental" costs of education over and above a State's basic responsibilities or (2) support for basic costs, as well, where needed. Examination of this matter in light of other Federal legislation and HEW guidance shows, however, that considerable confusion exists, as follows:

--In an October 1967 memo to the States, Office of Education officials stated that 89-313 funds were being used for basic activities:

> "Projects Help Meet Some Basic Needs
>
> "Some of the most successful projects which came to the attention of the Office of Education during the first year were directed at initiating, expanding, and improving services to very seriously handicapped children. State

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1/Senate Report No. 783, 89th Cong., 1st Sess.

money in the past has been heavily committed to food, clothing, medical care, building maintenance, and other basic care facilities for children residing in State operated special schools. When limited funds could be found for educational purposes, States tended to use them with the more mildly handicapped and with those who did not have secondary handicaps."

--Similarly, in a May 1969 issue of Programs for the Handicapped, the Secretary's Committee on Mental Retardation, HEW, explained the 89-313 program's contribution to basic education with the following relevant comments:

"The provisions of this legislation permit the versatile development and expansion of many educational services. There are few restrictions upon the utilization of these funds. * * * The central theme of the program is to extend and improve direct educational services to handicapped children."

--In April 1970, the Congress enacted Public Law 91-230. With regard to title I grants, section 109 of the act (which is applicable to 89-313 programs) amended the Elementary and Secondary Education Act of 1965 to provide that assurances must be given that:

"* * * Federal funds made available under this title will be so used (i) as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs and projects assisted under this title, and (ii) in no case, as to supplant such funds from non-Federal sources. * * *" [Emphasis added.]

A subsequent amendment to title I also provided that those grants must only be used for the "excess costs" of programs and projects funded under that title.

From these provisions, it would appear that use of 89-313 funds should be restricted, to the same extent as other title I funds, to (1) covering the costs of programs and services over and above the costs for basic educational programs covered by funds from non-Federal sources and (2) acting as a catalyst to spur

the States to increase their levels of financial support.

--In January 1971, the Bureau of Education for the Handicapped issued an Administrative Manual for the 89-313 and part B handicap programs (a compilation of policy statements, guidelines, and regulations for use by State agencies participating in the two programs). The manual, which was still current in 1977, appeared to express an intent similar to that expressed in Public Law 91-230, the previous year, regarding the supplemental nature and purpose of the programs:

> "Public Law 89-313 and Part B, Education of the Handicapped Act, are project oriented, child-centered Federal programs designed to initiate, expand, and improve special educational and related services to handicapped children. They are not general support programs, or construction, media, or training acts, although these activities can be included as parts of projects, phases of multiyear projects, or as individual projects that supplement an existing comprehensive educational program. [Emphasis added.]
>
> "P.L. 89-313 and Part B funds are generally used to stimulate the development of comprehensive quality programs and services, to demonstrate innovative practices and procedures, and to encourage educational reforms which will enhance the learning potential of handicapped children. These monies are used to support activities which are in addition to, or go beyond, minimal basic types of programs normally provided for through State or other monies."
> [Emphasis added.]

--In February 1974, a House report on House bill 69, 93d Congress, 2nd Session (the bill enacted as Public Law 93-380--the Education Amendments of 1974) suggested a conflicting view of the purpose for which the handicap funds were originally intended 9 years earlier:

> "HANDICAPPED CHILDREN
>
> "In P.L. 89-313, Title I was amended to provide grants for State agencies serving handicapped children in State supported institutions. For many of these severely handicapped

children--because of State neglect--this is their only opportunity to partake in the challenges of education. * * *

* * * *

"To reiterate, the rationale of the Congress was that, unlike the majority target population under Title I, the handicapped in public facilities, particularly the largest group--the mentally retarded, are largely dependent upon these funds for any educational opportunity. Thus, for the handicapped in institutions, this is NOT an 'add on.' * * *"
(H. Rep. No. 93-805, 93rd Cong., 2nd Sess.)
[Emphasis added.]

The report's language implied an understanding on the part of the Congress that, in 1965, special educational needs of handicapped children in State schools involved not only a need for supplemental educational benefits but, in some instances, a need for basic educational opportunities as well. Thus, the Congress may have intended 89-313 funds to be used for those basic educational services where necessary. However, the view expressed in the report's language was not enacted into Public Law 93-380, nor was the 1971 BEH Administrative Manual revised to reflect the language.

--Current HEW general regulations (45 CFR 116.40(b)), issued in 1976 to cover all title I grants, including the 89-313 program, indicate that services are to be supplementary to State-mandated programs, as follows:

"Title I funds shall not be used to provide services which the applicant agency is required to provide by State law or pursuant to a formal determination under Title VI of the Civil Rights Act, Title IX of the Education Amendments of 1972 (Pub. L. 92-318), or section 504 of the Vocational Rehabilitation Act of 1973, as amended, or pursuant to a final order of a court." [Emphasis added.]

In the introduction to the above regulations, HEW stated that several commenters who responded to its invitation for public comments on the regulations in draft form disagreed with the proposed prohibition against using title I funds for providing educational

services in programs required by State law or other Federal laws. In declining to modify the prohibition in its final regulations, HEW explained its rationale as follows:

> "Response. No change was made. The prohibition in this paragraph, which is an application of the 'supplemental not supplant' concept, presumes that where the applicant is required by statutes or court order to provide certain services, such services would be provided in the absence of Title I funds. If a program mandated by State or Federal law receives sufficient State and local funding to meet the requirements of the appropriate law, then Title I money can be used to supplement the services available from such funding."

Thus, the cited regulation and HEW's discussion indicates that title I funds are not to be used to finance services and activities required by State law. Since the provision applies to all title I programs, and the 89-313 program is not cited as an exception, it would appear that HEW's administrative regulation prohibits program funds from being used to finance basic education programs when such programs are required by State law. As discussed later in this chapter, nearly all States now have education statutes mandating a comprehensive, free public education for handicapped children.

--Finally, in its proposed separate regulations for the 89-313 program published in the Federal Register on April 13, 1976, and internally revised in October 1976, HEW further confused the purpose of the program. The April 1976 proposed regulation stated the purpose only in general terms:

> "The purpose of the program * * * is to provide funds to State agencies which are directly responsible for providing free public education for handicapped children, in order to assist those State agencies in meeting the special educational needs of these children."

In the October 1976 revision of the draft regulations, HEW, rather than clarifying and expanding on the program's purpose, opted to delete the purpose statement entirely, without substitution. Thus, this recent

version of HEW's proposed regulations is silent on the purpose of the program. Final regulations had not been published as of January 1978.

With regard to the use of 89-313 funds, both the April and October 1976 draft regulations provide only general guidance in that, grants to State agencies (except grant funds transferred to a local educational agency on behalf of formerly institutionalized children) are to be used to "* * * assist in providing * * *" an appropriate education to eligible children. In contrast, funds transferred to local education agencies are to be used specifically to "* * * supplement * * *" the appropriately designed education for eligible children. [Emphasis added.]

Thus, although Public Law 91-230 (enacted in 1970) and the current BEH Administrative Manual (issued in 1971) both indicate that 89-313 funds are to be used in a supplemental manner to support activities which are in addition to or go beyond basic programs supported by State funds, other evidence supports and conflicts with that guidance.

A number of States have also interpreted the requirements for use of 89-313 funds. For example, in instructions to schools, hospitals, institutions, and other projects eligible for 89-313 grants, State agencies in the States we visited advised as follows:

--Arizona: "Funds will be used to supplement and not supplant state and local funds expended for educational purposes and, to the extent practical, increase the fiscal effort that would in the absence of such funds be made by the Applicant for educational purposes."

--Illinois: "All objectives and activities funded through Title I, P.L. 89-313 must be supplemental to the basic program of the individual facility * * *" and "* * * supplemental to programs which are mandated by Illinois law."

--Michigan: "Projects shall be designed only as a supplement to the basic educational program * * *. 'Special educational services' are those services appropriately designed so as to meet the specific educational needs of handicapped persons, and are in addition to or distinct from the educational services provided to non-handicapped persons."

--Pennsylvania: "* * * items are generally not approvable * * * [if] they constitute a basic rather than a supplemental educational program * * *.

* * * *

"* * * children participating in the P.L. 89-313 project must receive a basic educational program with [State agency] funds * * *.

"1976-77 Proposals must be written in such a way as to show P.L. 89-313 funds supplementing a viable [State agency] funded program. To accomplish this, [State agency] funds must be 'stretched' to cover the 'basics' of an educational program for all children participating. The overall criterion to be applied in determining what items are allowable under P.L. 89-313 is whether the program could continue if the P.L. 89-313 funds were removed."

--Washington: "P.L. 89-313 money, like Title I regular, is supplemental money and [is to be used to provide] * * * additional services beyond your basic program."

A contradiction existed in instructions issued by State education agency officials in Massachusetts and Oregon. The States advised their schools as follows, regarding the use of 89-313 funds for instruction of children:

--Massachusetts: "Each project shall provide, within itself or within the educational program which is supplemented by the project, direct instructional services to eligible handicapped children." [Emphasis added.]

--Oregon: "The project application should be designed to provide 'supplemental services' which means those services which do not provide direct instructional services within themselves, but which suppplement existing special education programs in which such direct services are provided." [Emphasis added.]

Most of the above State instructions seem to say that 89-313 funds are to be used primarily for supplemental or excess costs, with the State supporting basic education programs with its own funds. As discussed in the following

section, however, one of the largest impediments to resolving the problem of basic vs. supplemental uses of funds is in defining these terms.

DEFINITIONS OF BASIC AND SUPPLEMENTAL EDUCATION

A major problem in distinguishing between State and Federal responsibilities for financing education of the handicapped is in defining the basic level of educational services and resources States are required to provide. Unfortunately, many of the States we visited have not formally or specifically defined the basic essentials of special education, nor has the Federal Government made it clear what it considers to be the States' minimal responsibilities, if any, for educating handicapped children. Some of these States have prescribed certain features, such as class sizes, student/teacher ratios, or hours of programming for measuring basic education. The State of Washington, under a court order, is attempting to legislatively define basic education.

We found a wide variety of interpretations by State and school officials on what they believe constitutes a basic education. These interpretations often differed among the States, the agencies within a State, and even schools or institutions in the same State agency. At the 40 schools where we asked officials for their definition of "basic" education, the replies fell into the following six general categories:

Definition of basic education	Number of responses
Those skills needed to live in society, be independent, be self-supporting, and/or function in a public school	10
Whatever is required by State law or regulations	10
Whatever educational services are provided in public schools	7
Whatever can be provided with available State funds	4
Anything and everything provided	3
Miscellaneous definitions	6
Total	40

At 29 of these schools, officials indicated that their States were not providing enough funding to meet the definition of basic education, and at 27 schools the officials

stated that they were using 89-313 funds to make up all or part of the shortage in State funds.

The following is an example of the confusion on the definitions of basic and supplemental education programs. A membership survey of 89-313 program assistance conducted in early 1977 by the National Association of Coordinators of State Programs for the Mentally Retarded, Inc., asked whether current State appropriations covered all educational costs of children in all State handicapped institutions. According to the Association's summary report, nearly all of the State respondents believed that their State did cover the basic costs of educational services but that, given the needs of severely handicapped children, the supplemental services financed through program funds were absolutely essential. It can be argued, of course, that services which are "absolutely essential" are, by dictionary definition, basic services.

CURRENT USES OF PUBLIC LAW 89-313 FUNDS

A wide variety of projects and activities were being financed with 89-313 funds at the schools we visited. At a majority of the schools, officials admitted that such funds were being used to finance basic rather than supplemental activities because of an insufficiency of State funds.

In our opinion, supplementary activities are those for which 89-313 funds could be used to

--reduce class sizes or teacher/student ratios below prescribed State standards;

--provide additional hours of programming for more severely handicapped children beyond that given to the less severely handicapped;

--provide educational field trips, outings, and other out-of-classroom experiences which directly relate to basic curriculum activities financed with State funds;

--provide additional textbooks, supplies, and materials beyond those normally provided;

--finance unique or innovative efforts, such as computerized instruction, to accomplish something new, or something traditional in a new way;

--finance self-contained demonstration projects having potential widespread applicability; or

--provide additional hours of teacher training beyond prescribed State standards.

On the other hand, many activities financed with 89-313 funds at the schools we visited could be considered as basic activities because they (1) were used for the same functions as those being financed with State funds at the same or other schools; (2) were not supplementary to an existing school activity; (3) were being conducted on a permanent, year-after-year basis; or (4) were for fundamental needs of the enrolled children, such as audiologists at schools for the deaf and ophthalmologists at schools for the blind. In addition, some activities at the schools and at the State agencies were described in project justifications as being for purposes of meeting specific requirements and mandates of State education statutes.

Further, many of the activities financed with 89-313 funds appeared to have a questionable relationship to the institution's education program, for example kitchen remodeling, routine health care services, and salaries of dormitory attendants.

Details of these uses of funds are described below.

Federal funds used for basic education

Although neither the Federal Government nor many of the States we visited have specifically defined or established criteria for basic education of handicapped children, many of the federally financed activities at the schools we reviewed seemed to be clearly in the nature of basic services. For example:

--A school in Arizona has an education staff of 34 State-funded employees and 14 Public Law 89-313-funded employees to provide education and related services to mentally retarded children. State law requires that the institution meet the standards for special education prescribed by the State education agency. However, State documents indicate that the size of the institution's staff has been grossly insufficient to meet these standards, and that 81 additional staff members are currently needed. Although the institution has requested the needed staff in its budgets for the past 3 years, the Governor's office has eliminated each requested increase. As a result, according to school officials, 89-313 funds have been used to provide services and pay teacher's salaries which the State should pay and which are necessary to meet the mandatory requirements of the State education agency.

--Another school in Arizona used 89-313 funds to pay the salary of an audiologist, without whom the school cannot operate, according to the principal.

--Public Law 89-313 funds were providing a substantial portion of the basic education program at a school for emotionally disturbed children in Colorado. Six of the 16 teachers were 89-313 funded. According to an institution official, the 6 teachers are providing basic education because the State does not provide sufficient funds to allow the school to educate all students. For about one-fifth of the children at the school, 89-313-funded teachers provided the only education they received.

--Another school in Colorado used its fiscal year 1974 89-313 grant to develop a program for mentally retarded infants. In 1975 the program was incorporated into the school's basic education program and was funded by State appropriations. However, in 1976 the State legislature reduced funding for handicap education, and under direction of State agency officials, the school substituted 89-313 funds for the State funds. In 1977 the State again funded the program. State agency officials told us that they would substitute 89-313 funds for State funds any time the State legislature reduced their funding.

--Most of an Illinois school's media center activities and staff (audio-visual equipment, preparation of written material, etc.) has been continually funded with 89-313 funds since its establishment in 1965. The school has attempted for a number of years, through its budget requests, to have the State pay the salary of the center director, but has not been successful.

--A school in Massachusetts was using its fiscal year 1977 89-313 grant to provide services required by or resulting from State laws, but for which State funds were not available. Included in the project were (1) vehicles to transport children to State-required classrooms, (2) a photocopier to meet the heavy paperwork requirements of the State law, (3) a summer program which extended the school year an additional 2 months, as required by State law, and (4) three educational aides to bring the student-teacher ratios to State-mandated levels.

--A counselor, audiology clerk, and counseling program secretary in a Michigan school have been paid from 89-313 funds for at least the past 6 years.

--Another school in Michigan was using part of its fiscal year 1977 grant to provide a mobility instructor to teach blind children such things as how to use canes and cope with traffic. Mobility instruction for the blind is specifically required by Michigan State law. However, State funding has been insufficient to meet the requirement. The position has been funded under Public Law 89-313 for the past 6 years.

--An institution for the mentally retarded in Oregon was serving about 650 children with an education staff of 23 employees, 11 of whom are funded by the 89-313 grant. According to school officials, this is not enough staff to provide even a modicum of education to all children, and can provide a full day's instruction to only about 150 of the children.

In fiscal year 1977, the State provided the institution $385,724 for education, while the 89-313 grant totaled $487,821. The school has asked the State legislature for an additional $1.5 million a year to bring the education program up to the State's special education requirements.

--Another school in Oregon was using its 89-313 funds to pay the entire costs of a pre-school program in fiscal year 1977. The funds provided one teacher, a part-time aide, and materials. In fiscal year 1976, State funds were used to pay for this program. Neither the program's content nor staffing level changed significantly when Federal funds were substituted for State funds.

--A third school in Oregon used 89-313 funds to pay the salaries of the school's audiologist and electronics repairman. The program director stated that these positions are basic to the children's needs because they are permanent (having been funded for a number of years), and that the school had unsuccessfully attempted for several years to obtain State funds to pay the salaries of these two positions, as well as others currently paid from the 89-313 grant.

--At a school for mentally retarded children in Washington, an 89-313-funded language development class is shown in curriculum records as part of the school's basic core program.

--At another school for the retarded in Washington, the principal told us that 89-313-funded classes in social skills, self-help skills (feeding, dressing, toileting, etc.), and preacademic skills are basic to the needs of his students and are a fundamental State responsibility.

Federal funds used for noneducational purposes

Among the most controversial problems we ran into at the schools we visited was the relevance of certain expenditures of Federal funds to the schools' education programs. Neither Public Law 89-313, as amended, nor HEW regulations are entirely clear as to what kinds of services or benefits may be properly included within the definition of education and, therefore, chargeable to Federal grants.

We found a variety of charges which, while (1) undoubtedly necessary to the operation of a facility or (2) of custodial, life supporting, or other benefit to the enrolled children, appeared to be of questionable relevance to the school's formal educational program. For example:

--A school in Pennsylvania spent over three-fourths of its grant for routine psychological testing, and medical and dental health care services for its students. The school director stated that these charges were for ordinary health services (which are specifically required by State law), and not for diagnostic services or other special needs of handicapped children. In addition, most of the health care services had been paid with State funds in prior years.

--A school in Washington planned to spend over one-third of its grant to send 75 of its children to a special summer camp in Oregon. Ironically, an official of an Oregon school serving children with the same handicap stated that his State's 89-313 coordinator will not allow the Oregon school to do the same because he does not consider it an acceptable 89-313 expenditure.

--A school in Georgia used over 40 percent of its 89-313 funds to pay for six dormitory attendants to provide residential care (making beds, cleaning rooms, dressing and toileting children, etc.) for handicapped children.

--A school in Michigan used 89-313 funds to (1) pay the salaries of a janitor and a nurse, (2) pave a playground and bike trails, and (3) rent an existing school building.

--Another Michigan project used about $40,000 in 89-313 funds over a 2-year period to remodel one kitchen and purchase equipment, utensils, and supplies for it and one other kitchen. For one of the kitchens, the institution purchased (1) 2,880 dishes and items of silverware and (2) 371 items of cookware, bakeware, preparation and serving utensils, and miscellaneous items. The institution also spent an additional $5,000 to purchase a food delivery truck to transport food between several school buildings.

--A school in Oregon used 89-313 funds to pay the salary of a person who was shown on the project application as a teacher aide, but who was actually a secretary in the school office performing administrative duties.

At several projects, school officials stated that any services which benefit children are educational and, therefore, are legitimate charges to the 89-313 grant. One of the school administrators stated that since the school's facilities existed solely or primarily to provide an education to children, any and all expenses incurred in operating the facilities were for educational purposes and could be provided with 89-313 funds.

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As shown by the above examples, actual uses of 89-313 funds often were at odds with the authorized purposes described in State agency instructions and guidance, as previously covered on pages 12 and 13. Although many States have not specifically defined the terms "education," "basic education," or "essential educational needs" as they relate to handicapped children, we believe that most of the services in the examples cited in the two preceding sections could reasonably be considered as basic services because they were

--acknowledged by school officials to be essential to the educational needs of the children;

--conducted on a permanent, year-after-year basis;

--specifically required by State laws or State education agency standards;

--a substantial portion of the school's entire education program; or

--for essential noneducational purposes.

In a number of instances, 89-313 funds were used to finance services which, in prior years, were State funded. In addition to appearing as basic educational activities, the practice raises a question of compliance with the "no-supplant" provision of Federal law.

Finally, in a number of the above examples, records showed and school officials stated that attempts have been made, often over several years, to obtain State funding to pay for activities and personnel currently funded under their 89-313 grants. Although our review did disclose a number of instances where State funds were made available in later years to pick up the cost of activities initiated with 89-313 funds, the number of instances where this has been unsuccessfully attempted indicates, in our opinion, that the availability of 89-313 funds in such an unqualified manner has resulted in the Federal program acting as a disincentive to the States to provide funds to meet their own mandates and obligations.

CHANGED CONDITIONS--1965 TO 1977

Although the history of Public Law 89-313 indicates that in 1965 the Congress may have intended, largely because of recognized State neglect, to allow relatively unlimited uses of 89-313 funds by States and State schools in helping to finance their handicap educational programs, a number of important changes have occurred since then. These changes, in our opinion, provide sufficient justification for the Congress to clarify the basic purpose and thrust of the program. Chief among these recent developments are (1) new Federal legislation regarding education of the handicapped, (2) new State "right to education" laws, and (3) an evolving state-of-the-art for educating handicapped children.

Federal legislation regarding education of the handicapped

The role of the Federal Government, and national policy and legislation mandating actions by States have undergone a significant change in the past 10 years.

Although Federal support for education of the handicapped goes back about a century, substantial Federal interest did not begin until the late 1930s, with several pieces of legislation on mental retardation education research, captioned films for the deaf, and support for training teachers and other education specialists. In 1965 the Public Law 89-313 program for grants to State operated and supported schools was established. The following year, Public Law 89-750 established

a grant program aimed at strengthening State programs for handicapped children in public schools, and created the Bureau of Education for the Handicapped in the Office of Education.

During the next 6 years, the Congress continued to strengthen the Federal role with about a dozen laws directly concerned with special education, culminating with Public Law 93-380--the Education Amendments of 1974. Among other things, Public Law 93-380 required States to (1) establish goals of providing full educational services to handicapped children and (2) develop plans setting forth how and when the State expected to achieve those goals.

In November 1975, this law was broadened by Public Law 94-142--the Education for All Handicapped Children Act of 1975. The act sets forth, as national policy, the proposition that education must be extended to handicapped persons as a fundamental right. The act not only provides for Federal funds, but will require an infusion of massive amounts of State funds in order for States to meet their responsibilities. As with other Federal legislation enacted in recent years, Public Law 94-142 provides that Federal funds shall be used to pay only the excess costs directly attributable to educating handicapped children; and that these funds shall be used to supplement and, to the extent practicable, increase the level of State and local handicap funds, but in no case to supplant State and local funds.

Thus, since about 1965, when Public Law 89-313 was enacted, new Federal legislation has significantly increased the roles and responsibilities of both the Federal and State Governments for educating handicapped children. The more recent legislation seems to express the intent that Federal funds be used not to usurp State responsibilities, but to serve as a catalyst to encourage States to increase their financial support of education programs.

State "right-to-education" laws

In 1965 only five States had laws mandating education for handicapped children. Today, 49 States--Mississippi being the lone exception--have adopted statutes that make education for the handicapped mandatory. Much of the pressure for these statutes has come from parent organizations and other advocacy groups, and from court decisions which have held that handicapped children's access to education should be equal to that afforded other children. According to the 1976 Annual Report of the National Advisory

Committee on the Handicapped, court action began in 1971 with a suit filed by the Pennsylvania Association for Retarded Children, followed in 1972 by a suit in Federal Court in the District of Columbia, and followed during the next few years by a great number of similar suits in other jurisdictions asking the courts to enforce handicapped children's constitutional rights. The report states:

> "By now the number exceeds 40, and in none of the completed cases has the decision gone against the plaintiffs. The impact of these court rulings has been immense, not only in opening up school doors but in stimulating provisions in State laws to improve the quality and comprehensiveness of education offered to the handicapped."

While the provisions of State laws relating to mandatory education of handicapped children vary in their details, they generally contain purpose or policy statements of the following type:

--Arizona (1973): "It is the intent of the Legislature to guarantee equal educational opportunity to each handicapped child in the state regardless of the schools, institutions or programs by which such children are served."

--Colorado (1973): "The general assembly, recognizing the obligation of the state of Colorado to provide educational opportunities to all children which will enable them to lead fulfilling and productive lives, declares that the purpose of this article is to provide means for educating those children who are handicapped."

--Massachusetts (1972): "In the light of the policy of the commonwealth to provide an adequately, publicly supported education to every child resident therein, it is the purpose of this act to provide for a flexible and uniform system of special education program opportunities for all children requiring special education; * * *."

--Oregon (1973): "When it is determined, according to criteria established by the State Board of Education, that a child is suffering from a physical or mental illness or disease of such severity as to make his presence in a school facility impossible or dangerous to his health or that of others, the public schools must provide that child either home, hospital, institutional or other regularly scheduled and suitable

instruction meeting State Board standards unless the child is receiving suitable instruction in a state or regional facility or institution."

--Texas (1969): "It is the intention of the Act to provide for a comprehensive special education program for exceptional children in Texas."

--Washington (1973): "The Legislature intends to insure that all handicapped children * * * shall have the opportunity for an appropriate education at public expense guaranteed to them by the Constitution of this State."

Thus, unlike earlier days, when neglect of handicapped children and their education was the rule rather than the exception, States today have recognized and committed themselves to the fundamental right of handicapped children to have access to a quality education and the fundamental obligation of the State to fulfill that right. As discussed earlier in this chapter, however, States are often using 89-313 funds to meet their increasing obligations for handicapped education.

Advancing state-of-the-art

Historically, the progression of educating the handicapped has consisted of

--complete neglect until the rise of asylums and residential institutions for handicapped children, beginning in 1817;

--the establishment of day school classes, beginning in 1869;

--the expansion of a dual system of residential and day schools from 1869 to 1913;

--State programs, beginning around 1900; and

--the rapid expansion of public school programs, starting in about 1950.

Since that time, according to the 1976 Annual Report of the National Advisory Committee on the Handicapped, the pace of educational change has accelerated so rapidly that progress has been greater in the past decade than during the previous 2 centuries. This was largely because of a combination of landmark Federal legislation, precedent-setting court cases, and State right-to-education statutes. Even with these changes, however, funding to provide necessary educational

programs has traditionally been limited, and often focused on the least seriously handicapped children. In citing the improved services to very seriously handicapped children during the first year of 89-313 operation, the Office of Education stated that:

> "State money in the past has been heavily committed to food, clothing, medical care, building maintenance, and other basic care facilities for children residing in State operated special schools. When limited funds could be found for educational purposes, States tended to use them with the more mildly handicapped and with those who did not have secondary handicaps."

Along with the emphasis in the past decade on providing educational opportunities for all handicapped children have come numerous advances in the methodologies of teaching children. This has included new techniques of "reaching" children; innovative and creative teaching programs; new equipment, materials, and other teaching tools; closer integration of classroom education with educational support activities, such as physical, speech, and occupational therapy, psychological services, and recreational activities; curriculum development efforts; emphasis on training teachers and parents; and recent requirements in State and Federal legislation for individualized education plans tailored to the specific needs of the individual child. These advances have enhanced the ability of the educational system to meet its obligations by eliminating much of the difficulty and mystery of how to teach handicapped children, particularly the more severely handicapped, which existed until recent years.

Similarly, emphasis has increased during the past decade on new concepts, such as (1) teaching children in the least restrictive environment (the so-called deinstitutionalization or "mainstreaming" of handicapped children as much as possible with their normal peers); (2) using group home and foster home care; and (3) providing the full range of services needed by handicapped children by the community.

Much of this development in educational methodologies and concepts did not exist in 1965, when the 89-313 program was started. It now constitutes a significant change in the ability of States to meet their responsibilities toward handicapped children.

CONCLUSIONS

The 89-313 program was enacted in 1965 to make available Federal funds to supplement limited State efforts in providing special educational services for institutionalized handicapped children. In the intervening 12 years, due largely to changes in State and Federal laws, and advances in educational techniques and concepts, considerable confusion and conflict has arisen among program participants on what the Federal program is intended to accomplish and the respective roles of the Federal and State Governments in supporting education for handicapped children in State operated and supported schools.

Unlike in 1965, education for the handicapped is today an important priority among the States. The neglect of many severely handicapped children by States, a factor which contributed to the congressional decision to initiate the program in 1965, has largely disappeared. In its place, new Federal laws, court decisions, and "right to education" statutes in nearly every State have reaffirmed that education of handicapped children is a fundamental State responsibility.

Compared with the positive recognition and increasing statutory commitment to handicap education, however, State funding to meet these commitments has been insufficient in many cases to provide a basic, or even a minimal, education program for institutionalized handicapped children. Also, many States have not specifically defined what a basic education program is for their handicapped children.

As a result, Federal funds are still being used to pay for basic education programs and for activities which States are now recognizing to be their responsibilities. Thus, opportunities to use Federal funds to enrich programs beyond minimal levels and to finance innovative teaching techniques and reforms are often lost. As currently structured and operated, the 89-313 program acts as a disincentive to States to meet their new mandates and expand the state-of-the-art.

Therefore, we believe that a fundamental structural question now exists: whether the 89-313 program should (1) continue as basic, relatively unrestricted support, or (2) be directed to provide a stimulus to States to increase their resources for educating institutionalized handicapped children. Basic support, as currently practiced, is resulting in Federal assumption of State financial responsibilities and inhibiting the further expansion of State programs. Without an understanding of what constitutes basic education, there is no assurance that States are bearing

their fair share of the cost of educating handicapped children and no certainty that Federal funds are used in the most effective manner. On the other hand, with an insufficiency of State funds, Federal funds have provided some basic educational programming for children who would otherwise have received considerably less.

RECOMMENDATION TO THE CONGRESS

Accordingly, we recommend that the Congress clarify the direction of the 89-313 program by specifying whether funding is supplementary to a basic, State-financed educational activity, or whether it should help finance the basic educational program itself.

If the Congress decides that the program is intended for basic support with few, if any, restrictions on the uses of funds, then consideration should be given to relaxing the Federal administration of the program in favor of increased State administration. If, on the other hand, the Congress directs that the program cover only those activities and programs which are supplementary to basic, State-funded activities, methods should be found which will assure that the States meet their responsibilities. This could be accomplished by (1) requiring the States to define and fund "basic education" or "basic educational standards" as a condition of eligibility for 89-313 grants or (2) prescribing more specifically the permissible purposes of the grant funds.

AGENCY COMMENTS AND OUR EVALUATION

HEW commented on matters discussed in this report in a February 18, 1978, letter. (See app. IV.) It indicated that it is currently considering future directions for all expiring elementary and secondary education legislation and will be providing its specific recommendations concerning the Public Law 89-313 statute with this entire set of legislative requests. HEW noted that its comments should therefore not be construed as legislative recommendations, but rather considerations which it believes are important in the congressional review of this program.

HEW stated that guidance already provided by the Congress in its consideration of the basic vs. supplemental services question in the context of Public Law 94-142 can be usefully applied to the Public Law 89-313 case. HEW stated that Public Law 94-142 funds can be used for new services which were not currently being provided even though these services might be authorized by State law.

We believe HEW's comments may be helpful in determining the direction of the 89-313 program. However, even though Public Law 94-142 gives more flexibility in spending Federal funds, it still is directed to "new services" not being currently provided at a school even though these services might be authorized by State law. The question of the direction of the program, either to provide basic educational support or to provide supplemental educational support, still remains.

COMMENTS FROM STATES VISITED

The 10 States visited were given an opportunity to comment on this report. Nine States submitted comments and generally agreed that clarification is needed at the Federal level on the direction of the program. The States indicated that confusion exists as to the expectations of this program at both the State and Federal levels.

CHAPTER 3

TARGETING: NEED FOR CLARIFICATION

The degree to which 89-313 funds may be targeted 1/ to or away from certain groups of children is not entirely clear. Original legislation permitted unlimited targeting, in that some children could receive the benefit of all funds, while others need not receive any benefit. More recent legislation and implementing BEH instructions made it clear that this is inappropriate, but suggest that some undefined degree of targeting may be permissible.

Our review of the allocation of fiscal year 1977 funds in 10 States showed targeting to still be a widespread practice at two levels of the allocation process. First, when the State agencies made their allocation to the 1,152 schools, targeting took place in 74 percent of the cases--24 percent of the schools received greater or lesser than their proportional share, and 50 percent received no funds at all. Second, at the 52 schools we visited in these States, 79 percent of the funds were targeted to provide primary and secondary services to 48 percent of the children; the remaining 21 percent were used to provide only secondary services to 42 percent of the children; and 10 percent of the children received no services whatsoever from 89-313 funds.

State agency and school officials generally defended their own allocation practices--whether targeting or not targeting--as educationally and/or administratively necessary. Those who targeted funds--either to schools or to children within schools--generally believed they were using the funds where they were most needed and that the availability of 89-313-funded, agency-wide services for all schools and students, however minimal, met the requirements of the law. Conversely, those who allocated funds and services on a proportional basis believed this practice to now be legally required and the only reasonable method, since the specific needs of the children are so difficult to determine, especially at the State level.

1/Since all children counted generate a specific dollar amount of program funds, we consider that "targeting" occurs when funds are allocated in such a manner that the children or their school receives a greater or lesser amount than they generate (i.e., a greater or lesser amount than their per-capita or proportional share).

Because of the confusion on the concept of targeting, we believe there is a need for legislative and regulatory guidance on whether targeting is appropriate and, if so, the extent to which it is permissible.

LEGISLATIVE BACKGROUND

The only limitation that Public Law 89-313 itself placed on the allocation of grant funds was that they be directed at programs and projects designed for the benefit of handicapped children. BEH instructions issued in January 1971 stated that State agencies, when allocating funds to schools, should give consideration to the priority of needs of the children and that, therefore, State agencies could allocate a higher percentage of funds to schools with higher priority needs. This position was made even stronger in January 1972, when the HEW general counsel issued an opinion that 89-313 funds must be concentrated (targeted) in specific areas at the discretion of the SEA, and not directed at all children counted.

With the passage of Public Law 93-380 in August 1974, the Congress indicated that it did not favor targeting and wanted 89-313 funds spread to all eligible children included in the count. During consideration of Public Law 93-380, the House Committee on Education and Labor made it clear that each child counted was to receive benefit from Federal funds. The Committee's report stated:

> "* * * assurances must be given that only those children will be counted in arriving at the average daily attendance for the purpose of determining state allotments whom the institution proposes to provide an appropriate educational program commensurate with their (the child's) needs, with state and Federal funds." (H. Rep. No. 93-805, 93d Cong., 2d Sess., p. 24.)

This requirement was included in section 121(c) of Public Law 93-380. BEH has stated that this provision means that each child counted in average daily attendance must receive some benefit from 89-313 funds, but not necessarily in the same proportion as the child generated. However, neither the Congress nor BEH has stated what constitutes minimum necessary benefits or what degree of deviation from proportional allocation is acceptable. Therefore, the extent to which targeting is permissible is not clear and, as our review showed, practices varied widely.

TARGETING FUNDS TO SCHOOLS

The first level of targeting can take place when the State agencies allocate 89-313 funds to the schools for which they are responsible. Our review of 1,152 schools eligible to receive fiscal year 1977 89-313 funds in 10 States showed that only 26 percent of the schools received their proportional share. An additional 24 percent received funds, but to a greater or lesser degree than their proportional share, and 50 percent received no 89-313 funds at all. Thus, targeting occurred in 74 percent of the cases.

Following is a summary of allocations to schools by State. Details by State agency are contained in appendix II.

State	Number of eligible schools	Fiscal year 1977 89-313 funds allocated on Proportional basis	Fiscal year 1977 89-313 funds allocated on Other basis	No funds allocated
Arizona	6	6	-	-
Colorado	27	1	20	6
Georgia	14	14	-	-
Illinois	41	15	22	4
Massachusetts	503	-	87	416
Michigan	80	80	-	-
Oregon	59	12	27	20
Pennsylvania	206	1	81	124
Texas	176	176	-	-
Washington	40	-	36	4
Total	1,152	305	273	574
Percent	100	26	24	50

There were 27 State agencies responsible for allocating 89-313 funds to schools in these 10 States. Fourteen of the agencies allocated all of their funds proportionally, based on the number of children counted at each school. The remaining 13 agencies allocated their funds using a variety of criteria, generally related to the perceived needs of eligible schools. Five of the 13 State agencies did not provide direct grant funding to over half of their schools. BEH permits a State agency to provide agency-wide services instead of direct grant funding if the agency determines that these services will better meet the needs of the children. Agency-wide services could include administration, consulting, evaluation, and other services.

The following are examples of the wide range of methods used by State agencies to allocate 1977 funds:

--In Arizona and Georgia, the State coordinators allocated each school the same amount for each child--$436 in Arizona and $414 in Georgia. The State coordinators said that this allocation method was used to comply with the Public Law 93-380 requirement to serve each child. Similar allocation methods were used in Michigan and Texas.

--In Illinois, one State agency allocated funds to each of its 15 projects at $595 per child--the same rate at which the funds were generated. Another Illinois State agency retained $52,000 to administer the program and allocated the remaining funds to its three schools at rates of $480, $521, and $719 per child, respectively. This method was based on the funds considered necessary at the State level to continue the current programs at these schools. A third State agency retained $50,000 for administration, and allocated the remainder to 19 of its 23 schools in amounts ranging from $543 to $2,727 per child. Four of its eligible schools did not apply for or receive grant funds. This State agency originally allocated funds on a program needs basis, and has in recent years been trying to slowly equalize the grants per child among the schools to meet what it considers to be the requirements of Public Law 93-380.

--In Massachusetts, only $400 per child was allocated to the State agencies, and the remaining $168 per child was retained by the State education agency for exemplary or special projects. The four State agencies vary in the ways they award funds to their schools. According to State officials, the practice of reduced funding enables the agencies and their schools to design their programs and complete their applications before the final notification of the State's award is received. The State also requires that a school must have at least 10 eligible children (i.e., eligible for $4,000) to submit an application, because this is considered to be the smallest economical project. According to the State's 89-313 coordinator, the existence of a large number of schools in the State with fewer than 10 children is the reason that so few schools received grant funds, as shown in the previous table.

--In Oregon, one State agency allocated funds to each of its schools on a proportional basis of $543 per child in order to comply with what it interpreted was required by Public Law 93-380.

Another State agency retained $7,000 for agency-wide services and allocated $634 per child to one school, $473 per child to another, and $519 per child to the remaining six. The third State agency retained $90,000 for agency-wide services and allocated the remainder to operate programs at 19 of its 39 eligible schools.

According to an official of the latter agency, the funds are allocated in this manner to eliminate the administrative load that would be required if 89-313 funds were combined with State funds at all schools. Currently, a school receives either State or 89-313 funds to operate its program, but generally not both. The official also stated that since each child is served by the $90,000 of agency-wide services, he believes they are complying with the requirements of Public Law 93-380.

--In Pennsylvania, one State agency retained $183,000 to administer the program and allocated the remaining funds to 41 of its 152 eligible schools. Allocations to these schools ranged from $196 to $8,614 per child, based on needs of the schools as determined by the agency's regional administrators. Colorado used a similar method.

--In Washington, the State agency allocated funds to its schools at rates varing from $143 to $1,310 per child. The amount each school received was based primarily on what it received in the past. The State has begun a program of alining the grants on an equal, per child allocation basis to comply with its interpretation of Public Law 93-380.

As can thus be readily seen, there were a variety of methods of allocating funds to schools, most of which involved targeting of some sort. While the extent of targeting varied widely from agency to agency, a total of 50 percent of the eligible schools in the States visited received no fiscal year 1977 89-313 funds.

Agency-wide services

Fourteen State agencies provided agency-wide services, such as administration, consultation, and evaluation. However, we found that in most cases, the services provided were likely to be diluted, remote, and of little proportional value to the children. The following table shows the dollar benefits each child received from the agency-wide services provided by these agencies in fiscal year 1977.

State agency	Amount spent on agency-wide services	Children eligible for agency-wide services	Average benefit per child
Colorado:			
Agency No. 1	$ 157,509	2,130	$ 74
Illinois:			
Agency No. 1	50,000	3,023	17
No. 2	52,000	743	70
No. 3	83,505	11,920	7
Massachusetts:			
Agency No. 1	123,704	329	376
No. 2	345,817	1,500	231
No. 3	1,241,616	6,639	187
No. 4	25,000	1,048	24
Oregon:			
Agency No. 1	90,369	2,276	40
Pennsylvania:			
Agency No. 1	455,514	4,194	109
No. 2	641,222	6,801	94
Texas:			
Agency No. 1	360,533	3,441	105
No. 2	95,219	4,724	20
Washington:			
Agency No. 1	81,044	1,426	57

Each of the State agencies that excluded over half of their eligible schools from direct grant funding, as discussed on page 32, provides agency-wide services instead. Officials in several State agencies expressed the opinion that this practice did, indeed, meet the requirements of Public Law 93-380 to provide each eligible child with benefits from the program. For example, the Oregon agency shown in the above table provided 89-313 funds to only 19 of its 39 eligible schools. The 1,829 children at the 19 recipient schools each received an average benefit of $676, including $40 per child of agency-wide services. However, the $40 per child of agency-wide services was the only benefit from 89-313 funds available to 447 children at the 20 remaining schools. These agency-wide services consist of (1) an educational consultant and a preschool specialist who are available to assist teachers as needed, (2) a student evaluation program that compiles the results of the evaluation tests given twice a year to all children, and (3) a teacher training program.

In Pennsylvania, one State agency provides funds to only 41 of its 152 eligible schools. The 1,444 children at the 41 recipient schools each received an average benefit of $1,142. For the remaining 111 schools and their 2,750 eligible children, $109 of agency-wide services represents the maximum benefit each of these children could have received from 89-313 funds. These agency-wide services consist of (1) support of a State administration office and four regional offices whose major purpose is is to serve the 41 schools that received direct funds (service to the other 111 schools consisted of the evaluations that determined which schools were to receive a grant, and consultation service on an as-needed, emergency basis), and (2) partial support of three regional resource centers which provide educational equipment, materials, and supplies to all handicap schools in the State on an as-needed basis.

In these cases, although several agency officials stated that their agency-wide services met the requirements of Public Law 93-380, the services seem to be of little significance or tangible benefit to the children.

Those officials who favored the practice of targeting to schools believe that it is advantageous because it allows them to better use Federal funds to do one or more of the following

--serve children who are not served or are underserved;

--equalize the educational services offered in all programs;

--improve the quality of education throughout the State;

--meet the special needs of lower functioning children, who are most likely to need extra educational services;

--meet the special needs of higher functioning children who are most likely to develop to the point of leaving the institutions; and

--make up for variations and deficiencies in State and local funding.

Those not in favor of targeting believe that to allocate Federal funds other than on a prorata basis to each school is contrary to the intent of Public Law 93-380. Some believe that it is not possible for officials at the State level to know the needs of each school and its children with such precision as to make targeting meaningful, and some believed that targeting could encourage the use of local political influences or places undue reliance on "brochuremanship"--a school's ability to write project applications.

TARGETING FUNDS TO CHILDREN

The second level of targeting occurs when the schools which receive 89-313 funds from the State agencies put those funds to use by delivering services to the children. Children can benefit from services which we have categorized as either primary or secondary.

--Primary services consist of the direct education or educationally related services provided to a child on a regular basis by staff, such as teachers, aides, and therapists.

--Secondary services consist of (1) incidental services provided to a child on an irregular or infrequent basis by psychiatrists, social workers,

counselors, librarians, etc.; and (2) indirect services, such as training of teachers and parents, transportation, equipment and supplies, and school administration.

Our review at 52 schools which received fiscal year 1977 allocations of 89-313 funds from their State agencies showed that 79 percent of the funds were used to provide services to only 48 percent of the children (69 percent of the funds for primary services and 10 percent for secondary services). The remaining 21 percent of the funds were used to provide only secondary services to an additional 42 percent of the children, and 10 percent of the children received no 89-313-funded services at all. In many cases, the secondary services were quite remote from the students and, when allocated to each child, amounted to very little.

For example, a school in Colorado with 266 students received $127,054, of which $112,979 was used to provide primary services to 30 children and $14,075 to provide secondary services to all children. This resulted in an average benefit of $3,819 for the targeted children and $53 for the others. The secondary services consisted of one half-time counselor and a share of administrative costs.

In Massachusetts, a school with 252 students received $98,904, of which $78,113 was used to provide primary services to 29 children and $20,791 was used to provide secondary services to all children. The average benefits were, therefore, $2,776 for the targeted children and $83 for the others. The secondary services consisted of general equipment and supplies, rental of a copying machine, and a share of the school's overhead costs.

In Pennsylvania, a school which counted 472 students used all $159,160 it received to provide services to 153 of the children--an average of $1,040 per child. The remaining 319 children received no benefits whatsoever from these 89-313 funds.

Similarly, in Washington a school with 120 students used the $62,502 it received to provide services to 26 of the children--an average of $2,404 per child. The remaining 94 children received no benefits from these funds.

In all of the above examples, a significant number of counted children received little or no benefit from the funds they generated.

Further details on targeting at all 52 schools are contained in appendix III.

Several school officials stated that targeting to students enabled them to more adequately meet the needs of the most severely handicapped. They stated that strict interpretation of the requirement of Public Law 93-380 to serve each child would diminish the quantity and quality of services provided, especially in terms of time allotted per child. Conversely, those in favor of spreading the funds to touch each child indicated that this practice assures that something is provided to all eligible children in need of service.

State officials disagreed over the requirements of Public Law 93-380. Some followed a strict interpretation, in that each school's 89-313 program had to provide services to all children counted. Other officials stated that any services which focused on a few of the children but reduced class size or disruptions in classes benefited all children in the school and, therefore, complied with the requirements of Public Law 93-380.

BEH has not resolved the targeting issue. BEH officials told us that the interpretation they received from congressional sources on the Public Law 93-380 requirement was that children who generated 89-313 funds were to receive some benefit from these funds, but that the minimum extent of such benefits for each child was not specified. These officials said that benefits can be provided through either primary or secondary services, which we defined earlier in this chapter. This interpretation, according to BEH, allows States and schools to concentrate funds on those children needing the most services, yet should assure that all children who generate the funds still receive additional services. However, this interpretation still does not clarify whether 89-313 funds must go to each eligible school or how much benefit each child must at least receive.

CONCLUSIONS

Targeting funds to a limited number of eligible children was originally permissible and, in fact, encouraged for 89-313 participants. But, the enactment of Public Law 93-380 changed the concept by requiring that all children counted for 89-313 funding receive some benefit from that funding. However,

confusion exists over how much benefit is needed to meet this requirement and whether the requirement, in principle, is educationally sound.

Some State agencies provide 89-313 funds to schools according to their interpretaton of each school's need for additional funding, while other agencies spread the funds proportionally among schools according to their population. At the school level, some officials further target the funds solely to particular groups of children; others require that each child share in the benefits to at least some extent; and a few provide each child a reasonably equal share of dollar benefits.

Our review in 10 States demonstrated that, despite the provisions of Public Law 93-380, targeting is still taking place to a significant degree. Fully 50 percent of the eligible schools in the 10 States received no 89-313 funds at all, and in many of the schools that did receive funds, significant numbers of counted children received little or no benefits from these funds.

It could be argued that the practice of providing agency-wide services and limited secondary services within schools to serve all children may satisfy the letter of the Public Law 93-380 requirement that children receive some benefit from the funds they help generate. But as this report has shown, we often found the dollar amounts to be small and the services to be remote. Therefore, whether this practice satisfied the spirit or the intent of the law is questionable.

At the same time, a persuasive argument can be made that targeting, in many cases, is educationally advantageous compared to proportional allocations because all children do not have the same needs. However, to what extent such targeting should be allowed is not clear.

In chapter 2, we point out that there is confusion over the purpose and direction of the 89-313 program. Should the Congress resolve the confusion by directing that the program pay for only supplemental or excess services over and above the States' basic programs, we believe the need to spread 89-313 funds to all eligible children, as intended by Public Law 93-380, would be minimized. The reason is because the children would be receiving a basic education commensurate with

their needs from State funds. Those children who had additional or supplemental needs beyond the basic could then be the primary beneficiaries of the 89-313 funds, making the practice of targeting a justifiable and effective educational tool.

Until such time as that occurs, however, we believe that additional guidance is needed from the Congress and the executive branch on the question of targeting.

RECOMMENDATIONS TO THE CONGRESS AND THE SECRETARY OF HEW

Since the controversy on targeting involves a question of educational effectiveness, we recommend that the Congress clarify whether targeting is acceptable and, if so, generally the extent to which it is acceptable. We also recommend that based on the action taken by the Congress, the Secretary of HEW direct the Commissioner of Education to issue implementing regulations which clearly state those conditions under which targeting is or is not permissible, and any limitations that must be adhered to in order to meet the intent without sacrificing educational objectives.

AGENCY COMMENTS AND OUR EVALUATION

HEW believes that the policy directions established in Public Law 93-380 requiring that all children receive some benefits, continue to be sound. It stated that it has final draft regulations for the 89-313 program which require that Federal funds be used to meet the individualized special education needs of the handicapped students who are generating the funds.

However, we have directed our recommendation to the Congress to determine if the States' targeting, as described in this report or as viewed by HEW, is acceptable. If the Congress believes that targeting of funds to students is acceptable, then HEW's regulations concerning this subject could be helpful to the States.

COMMENTS FROM STATES VISITED

The States generally agreed that allocation of funds is an unresolved issue and more direction is needed from the Federal level. Comments similar to those expressed by the States in the body of this chapter were included in some of their written comments, such as the belief that their present method of allocation was acceptable.

CHAPTER 4

OBSERVATIONS ON PROGRAM ADMINISTRATION

The nature and extent of changes needed to improve the administration of the 89-313 program depend, in our opinion, upon decisions on the future direction of the program, which are discussed in chapter 2. If 89-313 funds are to be available for relatively unrestricted general educational purposes, including financing basic educational activities without first having the States define what they will fund, we believe that minimal Federal management is sufficient. On the other hand, if the purpose of the program primarily is to support activities which supplement a State defined and funded education program, the following changes and improvements in program administration are needed:

--The 89-313 program should be transferred from title I of the Elementary and Secondary Education Act to the Education of the Handicapped Act. This would require legislative action by the Congress.

--The Bureau of Education for the Handicapped should increase the amount of guidance, monitoring, and technical assistance it provides to the States.

--BEH should also actively encourage and assist States to disseminate and share project results.

LEGISLATIVE PLACEMENT OF THE PUBLIC LAW 89-313 PROGRAM

Public Law 89-313 became an amendment to title I of the Elementary and Secondary Education Act of 1965 because the term "educationally deprived" was recognized as properly including handicapped children who were in State schools or institutions and, therefore, ineligible to participate in the title I program. At that time no separate, comprehensive Federal legislation covered education of handicapped children. In 1970 several handicapped-related educational enactments were consolidated into Public Law 91-230--the new Education of the Handicapped Act. Public Law 89-313 was not among these acts but remained a part of the Elementary and Secondary Education Act, protecting the program's full funding provision. (Funds allocated to a State agency for a fiscal year cannot be less than the maximum grant which the State agency is eligible to receive under the grant formula.)

Although the 89-313 program still retains the favored position of full funding, the program is part of an unrelated piece of legislation--title I. The nature of the target population and the concepts of service delivery for low income, educationally disadvantaged children in title I are significantly different than those for deaf, blind, mentally retarded, and other handicapped children in the 89-313 program. For the title I program, schools are selected based on concentrations of low-income families, and the funds are targeted to serve the most academically needy children, at those selected schools. Also, the educational services provided with State and local funds must be comparable to those same services provided in a non-selected school. Finally, title I requires that parents be involved in the planning of title I services through parent advisory groups at each of the selected schools. The 89-313 program does not include provisions for target schools, comparability, or parent advisory groups.

In contrast to its limited relationship to the remainder of title I, the 89-313 program has a strong and logical relationship to activities funded under the Education of the Handicapped Act. Two recent laws--Public Law 93-380, the Education Amendments of 1974, and Public Law 94-142, the Education for All Handicapped Children Act of 1975--tied the 89-313 program to part B of the Education of the Handicapped Act. Part B of that act also provides Federal assistance to States for education of handicapped children and to some degree affects the 89-313 program. The principal difference between the two programs is that part B is directed to handicapped children in local public schools, while Public Law 89-313 is directed primarily to handicapped children in State schools and institutions. According to BEH, the types of handicaps involved are the same, the educational services provided and approaches used are similar, and Federal funds are to be put to essentially the same uses in each program. Also, BEH has programmatic responsibility for both programs.

There have been two major consequences of the continuing existence of Public Law 89-313 in title I: (1) management of the program at the Federal level has been fragmented, limited, and complicated and (2) its visibility for congressional review and analysis has been severely restricted.

First, because the program statutorily falls under the Elementary and Secondary Education Act, the Office of Education's Bureau of Elementary and Secondary Education (BESE) was made responsible for administering the program. In 1968, a year after BEH was created to administer all handicap education programs, BESE delegated program administration authority to BEH but retained for itself the fiscal functions. These functions included:

1. Overall control of the title I appropriation, including preparation of budget justifications.

2. Administrative responsibility for the funds.

3. Preparing grant award documents.

4. Disbursing funds.

5. Preparing congressional notification documents.

6. Compiling fiscal reports.

BEH's delegated responsibility for the program included

--determining criteria for grant entitlement,

--developing grant application forms,

--formulating program guidelines and regulations governing the use of funds,

--prescribing programmatic reports to be filed by grantees, and

--reporting on the disposition of program funds.

BEH has responsibility for both the fiscal and programmatic functions for all handicap education programs under the Education of the Handicapped Act.

This split in administration for Public Law 89-313 has limited the vested interest each of the two Bureaus has had in the management of the program and, in our opinion, is one of the major causes of the limited amounts of program guidance, technical assistance, monitoring, and dissemination, which we discuss on the following pages. For the States, this split in administration has also meant that directives come from both BEH and BESE, and that the States' annual program plans must be approved by both Bureaus before a grant award can be disbursed.

In February 1977, an Office of Education task force recommended that either (1) BESE delegate the fiscal management of the 89-313 program to BEH or (2) the 89-313 program be removed from title I and transferred to the Education of the Handicapped Act administered by BEH. The task force felt that programmatic management by BEH and development of grant awards by BESE was neither efficient nor appropriate. The former recommendation was adopted and, upon BESE's concurrence, a revised memorandum of agreement was signed on June 14, 1977. The agreement delegates all fiscal authority for the 89-313 program to BEH except the annual determination of title I funds to be allocated to the program.

The second adverse effect of the placement of Public Law 89-313 in title I is that it has severely restricted the visibility of the program in budget justifications. Consequently, in our opinion, the opportunity for the Congress to review and analyze the strengths and weaknesses of the program during appropriation hearings--its operation, its administration, and its effectiveness--has been hampered. We noted that budget justification data submitted to the House and Senate for fiscal years 1976-78 contained only the requested budget amount, a brief general description of the purpose of the program and, beginning with the appropriations for fiscal year 1978, a brief statistical chart of the number of children to be served by handicap classifications. No information describing the impact, effectiveness, or successes of the program was included. An Office of Education official stated that, due to the full funding provision of the title I act and the formula used to fund the 89-313 program, evaluative data is not considered necessary to include in the budget justifications. We also noted that little discussion occurred on the 89-313 program during the title I appropriation hearings, nor did representatives of BEH appear at the hearings. Most of the discussion that occurred centered around the $2 billion-plus portion of the title I program dealing with grants to States to aid low income, educationally disadvantaged children. Testimony was given primarily by BESE officials.

We also noted that little evaluative data on the program was included in the Annual Report of the Commissioner of Education or in the Annual Evaluation Report on Programs Administered by the Office of Education.

In contrast to the limited information on the Public Law 89-313 handicapped program, a considerable amount of information and discussion appears in the various records on the Education of the Handicapped Act.

In our discussions on the pros and cons of the existing legislative placement of the 89-313 program, BEH officials did not agree that it should be transferred. They expressed concern that such a transfer would subject the program to comparison with less well-funded handicap programs, and would, therefore, likely have a significant adverse effect on the amount of funds made available to assist institutionalized handicapped children.

Nevertheless, we believe that there is sufficient justification for the Congress to legislatively transfer the 89-313 program from title I of the Elementary and Secondary Education Act of 1965 to the Education of the Handicapped Act. In addition to consolidating all fiscal and programmatic responsibilities in BEH, a transfer would aline the 89-313 program with other more recent programs directed to education of handicapped children, and would enhance the opportunity for the Congress to meaningfully evaluate the program.

GUIDANCE AND OVERSIGHT FUNCTIONS

If 89-313 program funds are to be available for relatively unrestricted uses, only a minimal amount of Federal guidance and oversight would seem to be necessary. On the other hand, if the program is to be directed to finance primarily those activities which supplement a State defined and funded basic level of education, improvements in management need to be made by BEH.

Our review showed that BEH guidance to the States on program operations is largely fragmented. Also, although 12 years have passed since enactment of Public Law 89-313, there are still no separate Federal regulations on the program. Until recently, BEH's technical assistance and program monitoring have been largely unplanned and principally confined to answering correspondence and reviewing periodic reports.

Guidelines and regulations

Program guidance by BEH consists of an administrative manual issued in 1971, information bulletins seeking to answer questions as they arise periodically, correspondence, occasional workshops and conferences, telephone

conversations, and "crisis" visits to the States. While these efforts have been helpful, not all the States or State agencies have received adequate guidance, and confusion still remains in many States on how the 89-313 program should operate.

Early in the program, BEH compiled program requirements into a manual for the States' special education personnel. The manual was revised at least twice and combined with the program requirements for part B of the Education of the Handicapped Act. The most recent revision of this administrative manual was issued in January 1971. Since 1971, all updated program guidance, including major changes resulting from enactment of Public Law 93-380, the Education Amendments of 1974, has been handled through information bulletins, correspondence, and meetings.

While information bulletins and informal letters on various aspects of the 89-313 program have been prepared, these guidelines often reach only the State education agencies, not the other State agencies which administer the individual 89-313 projects. Most of the schools we visited not only did not receive the periodic information bulletins, but also did not have a copy of the basic program guidance--the 1971 administrative manual.

To aid the flow of information, BEH has occasionally hosted conferences and workshops to explain program operations to State educational personnel. These conferences have been held on both a national and regional level. Yet, most of the State personnel with whom we spoke stated that the conferences have dealt largely with procedural matters, such as filing applications, and have not been very helpful in providing (1) guidance on goals and objectives, (2) appropriate and inappropriate uses of funds, (3) permissibility of targeting funds and services to children, (4) methods for improved dissemination, and (5) other substantive aspects of the program.

There are no separate Federal regulations for the 89-313 program. In recognition of the lack of separate guidelines, the Commissioner of Education published proposed regulations in the Federal Register on April 13, 1976. As of January 1978, the regulations had not been published in final form.

Technical assistance and monitoring

Besides formulating regulations and issuing program guidelines, two responsibilities of Federal grant agencies are to provide technical assistance to grantees and monitor program operations. Technical assistance, as we understand it, is the function of aiding grantees in properly implementing program requirements and resolving questions by providing guidance and assistance, as needed, often by onsite visits to the grantees. Monitoring, on the other hand, is an after-the-fact examination or audit of a grantee's compliance with fiscal and programmatic requirements, and also requires periodic onsite visits to review grantee records and program activities. As of yet, BEH has done little to meet either of these responsibilities.

As noted above, much of BEH's technical assistance in the past has been in the form of regional and national workshops, information bulletins, telephone conversations, correspondence, and crises visits to States. Recently, an increase in the number of State plan officers in BEH has resulted in visits to many States. However, these officers must handle the 89-313 program and part B of the Education of the Handicapped Act program, resolve HEW Audit Agency findings, and participate in administrative reviews. They are often unable to handle Public Law 89-313 questions and problems because their time and expertise are oriented toward the part B program.

Also, a BEH official informed us that until about 1976, BEH had visited very few States for planned or scheduled onsite monitoring of the 89-313 program. Prior to that time, BEH relied on others--State personnel or concerned individuals--to bring problems to its attention. Most of these problems were resolved through correspondence with the State's education agency. On occasion, State plan officers in BEH noted 89-313 problems while on a site visit to a State reviewing other matters.

Recently, BEH began scheduling compliance monitoring visits to the States for both the 89-313 and part B programs. To facilitate these reviews, BEH has designed and tested an administrative review manual to be used during the site visits. In addition, a

compliance officer was added to the BEH staff to handle administrative reviews and report processing.

Even though BEH has increased its monitoring activities for the 89-313 program, many States have not yet been visited. A few of the 10 States in our review had not received an onsite visit for at least several years; in over half, officials could not recall ever being visited. State educational personnel in nearly every State informed us that they wanted or would welcome an onsite visit from BEH to discuss problems and questions concerning the State's 89-313 program and to review it.

In addition to the limited communication between BEH and the State agencies, our review showed a general absence of monitoring of individual projects by the responsible State education agencies. Officials of most SEAs in the States we reviewed readily admitted that they had not made systematic review visits to their projects for several years, if ever. Records provided by SEAs, as well as discussions with project officials, bore this out.

Because of the size and complexity of the program, participating State agencies and schools need regulations, guidance, assistance, and periodic assessments to properly conduct program operations and carry out their other responsibilities with a reasonable degree of uniformity. Our review showed that BEH could do more to provide the needed assistance, and that confusion still remains in many States on how the program should operate. As mentioned earlier, however, the nature and extent of improvements needed in BEH's administration of the 89-313 program depend largely on the future direction of the program.

DISSEMINATION OF PROGRAM RESULTS

Special education of severely handicapped children is a relatively new field and still very much in the developmental stage. New approaches and techniques are frequently being tried at the teacher-student level. A major intended thrust of the 89-313 program is to increase the base of knowledge through expanding and improving present services. The program's structure, including the legislation and HEW regulations, calls for dissemination of knowledge gained through activities funded by the program.

School officials with whom we met generally believed that they had knowledge to share and that an interchange would be beneficial to all educators of the handicapped. Yet we found little sharing of knowledge taking place between institutions within a given State and even less between States. The principal reasons given by the educators were that (1) they were too busy coping with their immediate, day-to-day problems and (2) the fear that spending money for dissemination would reduce the amount available for direct child services.

As a consequence, dissemination efforts that did occur were often limited to talks at civic and community functions, publication of project information in school newspapers or in letters to parents, briefings for visitors, and the like. These activities, while no doubt helpful as public relations gestures, were of dubious value as dissemination efforts as intended by 89-313 program requirements.

A few years ago, BEH attempted to build an automated data base from information on each project in the States. The project was abandoned because of a lack of staffing and the complexity and problems associated with the data being reported. Since that time, BEH has made no other attempt to collect programmatic data from the projects for dissemination purposes.

We believe that increased sharing of knowledge--both successes and failures resulting from new approaches being tried--can be of immeasurable benefit at this developing stage of special education. The dissemination of information on useful techniques, homemade equipment, and other home-grown solutions to common problems could have the dual benefits of allowing more effective uses of funds by eliminating needless duplication of research and experimentation effort; and providing more useful, timely, and effective service to handicapped children. Yet it may be unrealistic to expect the possessors of this knowledge to divert their scarce resources for this purpose when the immediate result may be less service for their students. We believe, therefore, that HEW leadership is needed to develop simplified methods for, and encourage interchange of knowledge between, State schools and institutions for handicapped children.

CONCLUSIONS

Public Law 89-313 became an amendment to title I of the Elementary and Secondary Education Act of 1965 because the term "educationally deprived" was recognized as properly including handicapped children who were in State schools or institutions and, therefore, ineligible to participate in the title I program. At that time no separate, comprehensive Federal legislation covered education of handicapped children. In 1970 several handicapped-related educational enactments were consolidated into Public Law 91-230--the new Education of the Handicapped Act. Public Law 89-313 was not among these acts.

There have been two major consequences of the continuing existence of Public Law 89-313 in title I: (1) management of the program at the Federal level has been fragmented, limited, and complicated and (2) its visibility for congressional review and analysis has been severely restricted.

Further, because of the size and complexity of the program, participating State agencies and schools need regulations, guidance, assistance, and periodic assessments to properly conduct program operations and carry out their other responsibilities with a reasonable degree of uniformity. Our review showed that BEH could do more to provide the needed assistance, and that confusion still remains in many States on how the program should operate.

In addition, a major intended thrust of the 89-313 program is to increase the base of knowledge through expanding and improving present services. BEH attempted to build an automated data base from information on each project in the States. The project was abandoned because of a lack of staffing and the complexity and problems associated with the data being reported. Since that time, BEH has made no other attempt to collect programmatic data from the projects for dissemination purposes. We believe, therefore, that HEW leadership is needed to develop simplified methods for, and encourage interchange of knowledge between, State schools and institutions for handicapped children.

RECOMMENDATION TO THE CONGRESS

We recommend that the Congress transfer the 89-313 program from title I of the Elementary and Secondary Education Act of 1965 to the Education of the Handicapped Act.

RECOMMENDATIONS TO THE SECRETARY OF HEW

We recommend that the Secretary of HEW direct the Commissioner of Education to make appropriate changes in 89-313 program guidelines and regulations and in technical assistance and monitoring activities, based on advice received from the Congress regarding the future purpose and direction of the program.

Based on such advice, we also recommend that the Secretary direct the Commissioner to encourage (1) disseminating significant project results by the States and schools and (2) aiding States to develop simple mechanisms for such dissemination, in order to extend the usefulness of the 89-313 program.

AGENCY COMMENTS AND OUR EVALUATION

HEW did not comment on our recommendation that the Congress transfer the 89-313 program from title I of the Elementary and Secondary Education Act to the Education of the Handicapped Act.

HEW agrees with the need for greater technical assistance and monitoring of the program, and cited actions that had been taken. Its draft regulations covering the 89-313 program, according to HEW, will ensure that appropriate changes result. HEW concurred with our recommendation concerning the dissemination of project results. HEW believes that its responsibility is to take steps to assure that educational materials and practices backed by objective evidence of effectiveness are disseminated nationally.

However, if the Congress believes the direction of the program should be geared toward basic support instead of supplemental support, then the added cost of complying with detailed Federal regulations and disseminating project results might not be necessary. On the other hand, if the Congress directs that the program is to be

more supplemental in nature, the regulations will be helpful in administering the 89-313 program; but they must be properly implemented by the States, and compliance must be monitored.

COMMENTS FROM STATES VISITED

Generally, the nine States that provided us written comments agreed that the 89-313 program should be transferred from title I of the Elementary and Secondary Education Act to the Education of the Handicapped Act. Also the need for more program monitoring and guidance from the Federal level was seen as important to effectively operation this program.

Some States did express a concern about the funding of the 89-313 program if it were to be transferred to the Education of the Handicapped Act.

STATES AND SCHOOLS WHERE GAO

REVIEWED PUBLIC LAW 89-313 ACTIVITIES

State and school	Primary handicap
Arizona	
Arizona Children's Hospital, Maricopa County Hospital	Mentally retarded and other health impaired
Arizona State Hospital	Emotionally disturbed
Arizona State School for the Deaf and the Blind	Deaf and blind
Arizona Training Program at Coolidge	Mentally retarded
Arizona Training Program at Tucson	Mentally retarded
Colorado	
Boulder County Board for the Developmental Disabilities	Mentally retarded
Denver Board for the Mentally Retarded and Seriously Handicapped	Mentally retarded
Colorado School for the Deaf and the Blind	Deaf and blind
Colorado State Hospital	Emotionally disturbed
Ridge State Home and Training School	Mentally retarded
Georgia	
Georgia Academy for the Blind	Blind
Georgia Mental Health Institute	Emotionally disturbed
Georgia Regional Hospital at Atlanta	Mentally retarded and emotionally disturbed
Illinois	
Andrew McFarland Mental Health Center	Mentally retarded and emotionally disturbed
Illinois Braille and Sight Saving School	Blind
Illinois School for the Deaf	Deaf
Lincoln Developmental Center	Mentally retarded
Mid Central Association	Mentally retarded
Massachusetts	
Belchertown State School	Mentally retarded
Boston School for the Deaf	Deaf
May Institute for Autistic Children	Autistic
Monson State Hospital	Mentally retarded
Perkins School for the Blind	Blind
Residential Rehabilitation Center	Mentally retarded

APPENDIX I

State and school	Primary handicap
Michigan	
Genesee Intermediate School District	Mentally retarded
Hawthorn Center	Emotionally disturbed
Michigan School for the Blind	Blind
Michigan School for the Deaf	Deaf
Plymouth Center for Human Development	Mentally retarded
Oregon	
Dammasch Hospital	Emotionally disturbed
Fairview Hospital and Training Center	Mentally retarded
The Farm Home	Emotionally disturbed
Jackson County Intermediate Education District	Mentally retarded
Lane Intermediate Education District	Mentally retarded
Oregon State School for the Deaf	Deaf
Regional Facility for the Blind (Eugene)	Blind
Southern Oregon Child Study & Treatment Center	Emotionally disturbed
Pennsylvania	
Centennial School	Emotionally disturbed
Elwyn Institute	Mentally retarded
Overbrook School for the Blind	Blind
Texas	
Austin State School	Mentally retarded
Dallas County Mental Health and Mental Retardation Center	Mentally retarded
Houston Independent School District	Deaf
Texas School for the Blind	Blind
University of Texas Medical Branch	Other health impaired
Washington	
Fircrest School	Mentally retarded
Francis Haddon Morgan Children's Center	Autistic
Interlake School	Mentally retarded
Lakeland Village School	Mentally retarded
Rainier School	Mentally retarded
Washington State School for the Blind	Blind
Washington State School for the Deaf	Deaf

TARGETING OF PUBLIC LAW 89-313 FUNDS TO SCHOOLS BY STATE AGENCIES

State agency	Number of eligible schools	Number of schools receiving 89-313 grants in fiscal year 1977	Percent
Arizona:			
Department of Economic Security	3	3	100
Department of Education	1	1	100
Department of Health Services	1	1	100
State School for the Deaf and the Blind	1	1	100
Total	6	6	100
Colorado:			
Department of Institutions:			
Division of Mental Health	2	2	100
Division for Deaf and Blind Services	1	1	100
Division for Developmental Disabilities	24	18	75
Total	27	21	78
Georgia:			
Department of Human Resources	11	11	100
State Board of Education	3	3	100
Total	14	14	100
Illinois:			
Department of Children and Family Services	3	3	100
Department of Mental Health and Developmental Disabilities	23	19	83
Office of Education	15	15	100
Total	41	37	90
Massachusetts:			
Department of Education	334	56	17
Department of Public Health	12	10	83
Department of Mental Health	91	0	0
Department of Public Welfare	66	21	32
Total	503	87	17
Michigan:			
Department of Education	59	59	100
Department of Mental Health	21	21	100
Total	80	80	100
Oregon:			
Department of Human Resources:			
Children's Services Division	8	8	100
Mental Health Division	39	19	49
Department of Education	12	12	100
Total	59	39	66
Pennsylvania:			
Department of Education	53	40	76
Department of Public Welfare	152	41	27
Department of Health	1	1	100
Total	206	82	40
Texas:			
Department of Mental Health and Mental Retardation	40	40	100
Texas Education Agency	136	136	100
Total	176	176	100
Washington:			
Department of Social and Health Services	40	36	90
Total	40	36	90
TOTAL	1,152	578	50

TARGETING OF PUBLIC LAW 89-313 FUNDS TO CHILDREN BY SCHOOLS

State and school (note a)		Fiscal Year 1977 grant funds (note b)	Total student population	Allocation of grant between primary and secondary service	
				Primary	Secondary
Arizona No.	1	$ 42,144	50	$ 37,963	$ 4,181
	2	257,925	540	97,726	160,199
	3	191,554	231	160,365	31,189
	4	66,262	130	55,673	10,589
	5	14,832	32	10,700	4,132
Total		527,717	983	362,427	210,290
Colorado No.	1	0	d/N/A	-	-
	2	c/70,464	336	68,888	901
	3	127,054	266	112,979	14,075
	4	c/111,588	155	96,649	2,163
	5	363,975	526	358,139	5,836
Total		673,081	1,283	636,655	22,975
Georgia No.	1	c/71,504	184	59,235	5,733
	2	7,960	52	0	7,960
	3	c/47,494	98	22,752	22,810
Total		126,958	334	81,987	36,503
Illinois No.	1	75,000	37	73,000	2,000
	2	91,293	150	77,743	13,550
	3	280,988	500	114,858	166,130
	4	320,000	500	244,781	75,219
	5	c/247,073	526	98,435	113,991
Total		1,014,354	1,713	608,817	370,890
Massachusetts No.	1	c/100,718	252	78,113	20,791
	2	94,400	261	91,000	3,400
	3	0	d/N/A	-	-
	4	85,680	163	40,621	45,059
	5	54,000	230	40,000	14,000
	6	c/8,442	26	5,699	2,708
Total		343,240	932	255,433	85,958
Michigan No.	1	0	d/N/A	-	-
	2	166,966	255	39,808	127,158
	3	116,947	171	21,220	95,727
	4	c/146,736	266	0	146,726
	5	c/335,927	700	47,430	272,894
Total		766,576	1,392	108,458	642,505

a/Schools correspond in sequence with those listed in appendix I.

b/May include fiscal year 1976 carryover funds.

c/Grant funds exceed total of primary and secondary services (cols. 4 plus 5) because school had not allocated all of its grant at the time of our visit.

d/Not applicable. School did not receive an 89-313 grant in fiscal year 1977.

e/Children in some schools in this column received (1) only primary services plus all secondary services. At three schools, no primary services were provided. Calculations were made accordingly.

APPENDIX III

Children receiving primary and secondary services (note e)		Children receiving secondary services only		Number of children receiving no benefit
Number of children	Average expenditure per child	Number of children	Average expenditure per child	
10	$3,796	40	$105	0
77	1,566	463	297	0
100	1,604	121	258	10
56	1,183	0	0	74
32	464	0	0	0
275	1,455	624	267	84
-	-	-	-	-
316	221	0	0	20
30	3,819	236	53	0
125	787	30	14	0
321	1,127	205	11	0
792	814	471	18	20
170	380	14	31	0
0	0	52	153	0
83	507	15	233	0
253	421	81	109	0
37	2,027	0	0	0
67	1,363	0	0	83
220	854	280	332	0
236	1,136	264	197	0
325	520	201	217	0
885	894	745	245	83
29	2,776	223	83	0
261	349	0	0	0
-	-	-	-	-
44	1,200	119	276	0
62	645	80	175	88
26	323	0	0	0
422	646	422	165	88
-	-	-	-	-
40	1,494	215	499	0
13	2,192	158	560	0
0	0	266	552	0
165	677	535	390	0
218	917	1,174	462	0

APPENDIX III

TARGETING OF PUBLIC LAW 89-313 FUNDS TO CHILDREN BY SCHOOLS

State and school (note a)		Fiscal Year 1977 grant funds (note b)	Total student population	Allocation of grant between primary and secondary service	
				Primary	Secondary
Oregon No.	1	$ 10,851	19	$ 8,868	$ 1,983
	2	403,550	651	303,880	99,670
	3	20,532	55	17,000	11,532
	4	0	d/N/A	-	-
	5	c/74,008	31	50,829	16,500
	6	94,472	230	27,340	67,132
	7	13,513	28	0	13,513
	8	4,150	8	3,190	960
Total		629,076	1,022	411,107	211,290
Pennsylvania No.	1	33,000	130	33,000	0
	2	159,160	652	159,160	0
	3	52,000	173	10,200	41,800
Total		244,160	955	202,360	41,800
Texas No.	1	270,438	581	263,283	7,155
	2	251,120	374	230,665	20,455
	3	96,140	424	70,060	26,080
	4	40,070	215	40,070	0
	5	49,830	58	49,830	0
Total		707,598	1,652	653,908	53,690
Washington No.	1	127,765	180	127,765	0
	2	27,176	45	27,176	0
	3	111,653	191	90,785	20,868
	4	119,986	178	108,345	11,641
	5	286,111	253	209,079	77,032
	6	62,502	120	62,502	0
	7	35,089	248	14,790	20,299
Total		770,282	1,215	640,442	129,840
TOTAL		$5,848,042	11,481	$3,961,594	$1,805,741

a/Schools correspond in sequence with those listed in appendix I.

b/May include fiscal year 1976 carryover funds.

c/Grant funds exceed total of primary and secondary services (cols. 4 plus 5) because school had not allocated all of its grant at the time of our visit.

d/Not applicable. School did not receive an 89-313 grant in fiscal year 1977.

e/Children in some schools in this column received (1) only primary services plus all secondary services. At three schools, no primary services were provided. Calculations were made accordingly.

APPENDIX III

Children receiving primary and secondary services (note e)		Children receiving secondary services only		Number of children receiving no benefit
Number of children	Average expenditure per child	Number of children	Average expenditure per child	
12	$ 843	7	$104	0
378	957	273	153	0
37	669	18	210	0
-	-	-	-	-
31	2,172	0	0	0
83	621	147	292	0
0	0	28	483	0
8	519	0	0	0
549	947	473	208	0
60	550	0	0	70
153	1,040	0	0	499
30	582	143	242	0
243	863	143	242	569
488	552	93	12	0
374	671	0	0	0
220	380	204	62	0
80	501	0	0	135
58	859	0	0	0
1,220	569	297	39	135
120	1,065	0	0	60
45	604	0	0	0
50	1,925	141	109	0
106	1,088	72	65	0
246	1,154	7	304	0
26	2,404	0	0	94
96	236	152	82	0
689	1,068	372	149	154
5,546	$ 825	4,802	$195	1,133

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

FEB 18 1978

Mr. Gregory J. Ahart
Director
Human Resources Division
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

The Secretary asked that I respond to your request for our comments on your draft report entitled, "Federal Assistance for Educating Handicapped Children in State Schools: A Program in Need of Direction."

The enclosed comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

We appreciate the opportunity to comment on this draft report before its publication.

Sincerely,

Thomas D. Morris
Inspector General

Enclosure

Comments of the Department of Health, Education, and Welfare on the General Accounting Office Draft of Proposed Report Entitled "Federal Assistance for Educating Handicapped Children in State Schools: A Program in Need of Direction."

OVERVIEW

Although the GAO's recommendations concerning the purpose and future direction of the P.L. 89-313 program call for Congressional action, the Department would like to take this opportunity to comment on several of the particular issues raised by the GAO in their report. The Department is currently considering future directions for all expiring elementary and secondary education legislation and will be forwarding its specific recommendations concerning the P.L. 89-313 statute with this entire set of legislative requests. The comments which follow should therefore not be construed as legislative recommendations but rather considerations which the Department believes are important in the Congress' review of this program.

GAO RECOMMENDATION

We recommend that the Congress clarify the direction of the P.L. 89-313 program by specifying whether the program should finance only those activities which are supplementary to a basic, State-financed educational activity, or whether to help finance the basic educational program itself.

DEPARTMENT'S COMMENT

We believe that the guidance already provided by the Congress in its consideration of the basic vs. supplemental services question in the context of P.L. 94-142 can be usefully applied to the P.L. 89-313 case. State officials pointed out to the Congress during the P.L. 94-142 deliberations that although many states had comprehensive service laws, virtually no state was able to provide all the services their law intended. The states were concerned that if the Federal government assumed that they must provide all those intended services as part of the basic program, it would be impossible for them to spend the Federal funds for true excess costs or supplementary services. A subsequent amendment resolved the problem in favor of greater flexibility by allowing Federal funds to be used for new services which were not currently being provided even though these services might be authorized by state law.

GAO RECOMMENDATION

We recommend that the Congress clarify whether targeting is an acceptable practice and, if so, generally the extent to which it is acceptable. We also recommend that the Secretary of HEW direct the Commissioner of

Education to issue implementing regulations which clearly state those conditions under which targeting is permissible, and any limitations which must be adhered to in order to meet the intent without sacrificing educational objectives.

DEPARTMENT'S COMMENT

The Department's opinion is that the policy directions established in P.L. 93-380 of requiring that all children receive some benefits although not necessarily equal benefits continue to be sound. Some disabled children's needs far exceed those of other disabled children. It is therefore necessary to allow some flexibility with regard to per child allocations and expenditures. In order to minimize any possible misuse of this flexibility, the Department has clearly articulated in final regulations for the P.L. 89-313 program that state agencies must use Federal funds to meet the individualized special education needs of the handicapped students who are generating the funds. This requirement should protect against the support of services of little or no benefit to individual children and still permit a desirable degree of flexibility to bring services to students who are in the greatest need of assistance.

GAO RECOMMENDATION

We recommend that the Secretary of HEW direct the Commissioner of Education to make appropriate changes in P.L. 89-313 program guidelines and regulations, and in technical assistance and monitoring activities, based on advice received from the Congress regarding the future purpose and direction of the program.

DEPARTMENT'S COMMENT

The Office of Education has already responded to the GAO's call for making appropriate changes in P.L. 89-313 guidelines by developing draft final regulations which are closely attuned to the requirements of P.L. 94-142 and Section 504 of the Rehabilitation Act of 1973. Final regulations governing those laws were published separately this past fall. The draft P.L. 89-313 regulations are presently in the final stages of Departmental clearance procedures.

The Department agrees with the GAO's citing the need for greater technical assistance and monitoring of the program and has taken the following actions. Early in 1976, in preparation for the perceived need for increased monitoring and technical assistance, the Bureau of Education for the Handicapped was able to hire additional personnel and establish a cadre of 14 professionals charged with the responsibility of developing and implementing a system for technical assistance and monitoring. One of the major objectives of this group is to function in a coordinated manner as administrators of both P.L. 93-313 and P.L. 94-142 and to be responsible for all activities relating to both of the formula grant programs for handicapped children.

During the 1976-77 academic year, this staff investigated, through on-site visitation, P.L. 89-313 administrative policies and procedures in 26 of the 57 states and territories. The remaining states will be similarly monitored during this fiscal year. These on-site reviews included not only institutional and school visitation but also interviews with P.L. 89-313 SEA personnel, eligible agency personnel, project officials and Directors. Additionally, team members often reviewed a number of project proposals while in the SEA to provide a more comprehensive analysis and understanding of current P.L. 89-313 practices in the state.

In addition to expanding its internal monitoring efforts of P.L. 89-313 projects, the Bureau of Education for the Handicapped also recently awarded a contract to Rehabilitation Group Inc. for the purpose of conducting a comprehensive, analytical study, national in scope, to determine the degree to which the P.L. 89-313 program has been effective. The results of this study are expected to provide valuable information and insights into future program emphasis and direction.

GAO RECOMMENDATION

To extend the usefulness of the P.L. 89-313 program, we also recommend that the Secretary direct the Commissioner to encourage the dissemination of significant project results by the states and schools, including aiding states to develop simple mechanisms for such dissemination.

We concur. The Department feels that it is its responsibility to take steps to assure that educational materials and practices backed by objective evidence of effectiveness are disseminated nationally. To do so, the Education Division has established the Joint Dissemination Review Panel (JDRP) to review evidence of effectiveness of potential exemplary products and practices developed with government funds prior to actual dissemination efforts by individual agencies.

The Bureau of Education for the Handicapped will work with the various states and P.L. 89-313 providers to surface potential exemplary practices and provide the necessary technical assistance and information to guide them through the validation process. Once projects have received JDRP approval as exemplary and worthy of implementation by school systems, the Bureau will undertake activities to assure widespread dissemination and replication.

Additional Bureau efforts have been and will be undertaken to improve the dissemination responsibilities of state agencies. It is significant to note that 24 of the 26 states reviewed in the last fiscal year's administrative site reviews showed some evidence of effective action related to dissemination. In those states with no evidence of dissemination strategies, "state specific" corrective actions were designed by BEH officials in conjunction with state officials. These states were notified that additional

APPENDIX IV

review would be conducted in the ensuing year to assure that these corrective actions were being implemented. To further improve the effectiveness of P.L. 89-313 program activities, BEH conducted a series of regional meetings throughout the nation to assist State Agency personnel with the implementation of P.L. 89-313 programs, including the required dissemination component.

PRINCIPAL DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE OFFICIALS RESPONSIBLE FOR ADMINISTERING ACTIVITIES DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
SECRETARY OF HEALTH, EDUCATION, AND WELFARE:		
Joseph A. Califano	Jan. 1977	Present
David Mathews	Aug. 1975	Jan. 1977
Caspar W. Weinberger	Feb. 1973	Aug. 1975
Frank C. Carlucci (acting)	Jan. 1973	Feb. 1973
Elliot L. Richardson	June 1970	Jan. 1973
ASSISTANT SECRETARY FOR EDUCATION:		
Mary F. Berry	Apr. 1977	Present
Philip E. Austin (acting)	Jan. 1977	Apr. 1977
Virginia Y. Trotter	June 1974	Jan. 1977
Charles B. Saunders, Jr. (acting)	Nov. 1973	June 1974
Sidney P. Marland, Jr.	Nov. 1972	Nov. 1973
COMMISSIONER OF EDUCATION:		
Ernest L. Boyer	Apr. 1977	Present
William F. Pierce (acting)	Jan. 1977	Apr. 1977
Edward Aguirre	Oct. 1976	Jan. 1977
William F. Pierce (acting)	July 1976	Oct. 1976
Terrel H. Bell	June 1974	July 1976
John R. Ottina	Aug. 1973	June 1974
John R. Ottina (acting)	Nov. 1972	Aug. 1973
Sidney P. Marland, Jr.	Dec. 1970	Nov. 1972
DEPUTY COMMISSIONER FOR EDUCATION OF THE HANDICAPPED:		
Edwin W. Martin	July 1977	Present
Edwin W. Martin (acting)	Jan. 1974	July 1977
DEPUTY COMMISSIONER FOR ELEMENTARY AND SECONDARY EDUCATION: (note a)		
Thomas K. Minter	May 1977	Present
Herman Goldberg (acting)	Feb. 1977	May 1977
Robert R. Wheeler	May 1975	Feb. 1977

a/Prior to August 1, 1976, the title was Deputy Commissioner for School Systems.

(104056)

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